APPENDIX B

Oklahoma Corporation Commission Underground Injection Control Class II Wells Year-end Narrative Work-plan 2006

Oklahoma Corporation Commission implemented a highly successful Program in FY 06 meeting or exceeding established targets as determined in Work-plan 2006. The attached "Annual Report Card", depicts a summary of Activities.

Fiscal Year 2006 did result in one rule change in the UIC Program. This was the change of Packer Depth setting from plus or minus 20' to within 40' of packer setting depth in disposal order. We believe this to be a rational variance that will not effect protection of treatable water.

Program activities were good as on-site inspections of UIC facilities were at 12,320. Total UIC applications were up at 769 for the year, 287 Disposals and 439 Injectors. Totals for approved orders were 209 Disposals and 261 Injectors, total order dismissals numbered 202.

The Oklahoma Corporation Commission, Oil and Gas Conservation Division has committed to converting to the RBDMS database in 2007. We are hopeful that the RBDMS will greatly increase the speed of 7520 reporting. Also, RBDMS will make 1012A violations immediately apparent and assist in assuring compliance. Inputs from the field will make data available to more people much sooner than is currently possible. Flagging and cross-referencing of data and reports will make enforcement easier, quicker, and more certain. In addition the RBDMS GIS component may supersede the use of Arc Reader by the Field Inspectors for GIS function.

Field Operations is currently testing data collection in District II. Site inspections for all UIC facilities are reported on an excel form along with a GPS lat long. This will assist in Field Operations long-term goal of obtaining a GPS position on all UIC wells within five years.

In the area of GIS, UIC is continuing to update aerial photos as they become available. We are currently downloading 2006 aerial photos from the NAIP web site and hope to complete all 77 counties by March 2007. We are also continuing to expand our archival aerial photo library.

The EPA provided grant monies in 2006 for the purchase of an Echometer for the UIC Department. It has provided a means to check data supplied to us by Operators. It also gives us data from wells that no longer have a viable Operator or RP. This tool has already been responsible for withdrawal of two applications to dispose. EPA also finished out its commitment for grant monies for laptop computers for Field personnel. This has been extremely helpful in giving the Field Inspectors current UIC data, report and GIS function.

Annual Report Card UIC Program Activities Work-plan 2006 (7-1-05 Through 6-30-06)

November 15, 2006

Activity	Goals	Accomplishment
Inspections (On-site)	10,000	12,320
MITs (total)	2,300	2,181
MITs (Witnessed)	2,300	2181
Permits (Total Issued)	NA	513
Technical Reviews	NA	769
Operatorship Transfers	NA	838
Technical conferences	NA	382